

LNF & IHCIF Calculations Illustration **- CROW in Billings area -**

Given Data

- 12,422 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 23% = % Expenditures on purchased services, 77% = % expenditures in-house
- 95.1% = Cost index for purchasing health care in this geographic area
- 99.6% = Size cost index for in-house costs due to small or large size
- 103.9% = Billings area cost index for health status above or below average

Cost Adjustment Calculations

- \$663 per person for purchased services = $23\% * 95.1\% * \$2,980$
- \$2,273 per person for in-house services = $77\% * 99.6\% * \$2,980$
- \$2,936 per person total = \$663 (purchase) + \$2,273 (in-house)
- **\$3,051 per person total** adjusted for health status = $\$2,936 * 103.9\%$
- **\$2,306 per person net cost** = $\$3,051 - \745 Other resources (M&M&PI)

Existing Expenditures (for 12,422 users excluding wrap-around and collections)

- \$1,001 per person = local IHS allowance (excludes \$ for wrap-around)
- \$341 per person = expenditures elsewhere in Billings area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,396 per person for OU users** = $\$1,001 + \$341 + \$54$

LNF Calculation

- **45.7% Gross LNF** = $\$1,396$ (expenditures) / $\$3,051$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **60.5% Net LNF** = $\$1,396 / \$2,306$ net cost ($\$3,051 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 60.5% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

CROW Unmet Needs

- **\$28,646,515 Net Total Need** = 12,422 users * \$2,306 net cost
- **\$11,311,163 Net Unmet Need** = $(100\% - 60.5\% \text{ LNF}) * 12,422 \text{ users} * \$2,306 \text{ net cost}$